



2021/2106(DEC)

18.2.2022

OPINION

of the Committee on Civil Liberties, Justice and Home Affairs

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the
European Union for the financial year 2020, Section III – European
Commission
(2021/2106(DEC))

Rapporteur for opinion: Ramona Strugariu

PA_NonLeg

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that for expenditure specifically for Heading III (Security and Citizenship) the Court of Auditors (the 'Court') chose to examine a sample of 27 transactions designed to contribute to the Court's overall statement of assurance; deeply regrets that the Court did not estimate the error rate for Heading III, while acknowledging the Court's explanation that the audit scope was not designed to be representative for that Heading; regrets that the Court made that choice despite multiple calls from Parliament to calculate the estimated level of error for that Heading; deplores the fact that eight out of the 27 transactions examined by the Court contained errors among which four contained quantifiable errors that had a financial impact on the amounts charged to the Union budget and four was not compliant with legal and financial provisions but did not have a financial impact on the Union budget; agrees with the Court that failure to abide by the rules can undermine the sound financial management of Union spending and, potentially, affect the eligibility of the costs claimed; highlights that such cases may have an important negative reputational impact and may eventually undermine compliance with the principles of sound financial management of Union spending; urges the Member States to address the causes which led to these situations of non-compliance and asks the Commission to report to the discharge authority about the progress achieved;
2. Stresses that the Court found five errors in payments made by the Commission; points out that one of the errors concerned a minor overpayment of costs for software licences while the other four related to staff allowances; notes the Court's recommendation to reinforce consistency checks on staff declarations of allowances received from other sources and raise staff awareness of that issue in order to improve the Commission's system for managing statutory family allowance;
3. Welcomes that in the Court's examination of the internal control systems of four authorities responsible for auditing their respective Member States' annual accounts for the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) and providing the Commission with an annual control report (ACR), the Court stipulated that all the audit authorities under examination had developed and implemented detailed procedures of sufficient quality to report on their work in the ACR; notes further that the Court identified shortcomings in the ACR's, the impact of which was not sufficiently material to detract from the conclusions of the audit authorities, namely that sampling units were not clearly defined, audit samples were too small, responsible authorities submitted draft accounts to the audit authority before completing their own on-the-spot controls and without including technical assistance payments, error rates were calculated and presented inaccurately in the body of the ACR's, value and coverage of the audit samples were incorrectly reported, and it was not reported that some audit work was outsourced; further notes that the Court found that the audit authorities had detailed audit programmes and used checklists to support their conclusions, while identifying shortcomings in the work of audit authorities

relating to checks of project selection processes, inadequate testing of the eligibility of expenditure, insufficient audit trails or poor documentation of audit work, ineligible costs not always reported, procurement issues wrongly classified and outsourced audit work inadequately reviewed; regrets any shortcomings that make audit conclusions less reliable and that limit the assurance provided by the audit authority's work and asks Member States to address that issue;

4. Welcomes the fact that the Court did not find major flaws in the Commission's clearance procedures regarding the AMIF and the ISF; welcomes that Member States stepped up their national programmes in 2020, but notes with concern that for both the AMIF and the ISF significant amounts, corresponding to roughly 50 % of the available budget for those programmes, remain undisbursed; acknowledges that the significantly lower level of payments disbursed for Union actions compared to previous years resulted from advance payments and delayed project activities caused by pandemic-related restrictions; calls on the Commission to further engage in dialogue with the relevant national authorities and identify areas where it could offer support; reiterates furthermore its call on Member State authorities to increase their efforts for accessing funding available under those programmes with a view to contributing to the achievement of their important policy objectives;
5. Welcomes that, according to the Commission 2020 Annual Activity Report, the average residual error rate across the AMIF and the ISF is 1,37 %, well below the material threshold of 2 %; recalls, however, that that data refers only to detected errors and that the Court has previously identified shortcomings in the Commission's error detection mechanisms for funds under shared management; calls on the Commission, in accordance with the findings of the Court, to maintain its efforts to improve the error and irregularities detection rate and calls on Member States to improve the reliability of data transmitted to the Commission with respect to error rates for all funds under shared management;
6. Regrets that the residual error rate has remained almost in the same range as in the previous year (2,69 % in 2020 as compared to 2,65 % in 2019) for grants under direct management of the Directorate-General for Justice and Consumers (DG JUST); notes that the main cause of error is the lack of supporting documents which even worsened in 2020; reminds that due to the COVID-19 crisis the audits had to be performed remotely without access to the bookkeeping of the beneficiaries; calls on the Commission to address that issue and make use of digital tools that allow remote access to bookkeeping of beneficiaries; welcomes the corrective action plan outlined by DG JUST; recalls the importance of regular monitoring visits for ensuring sound financial management and calls on the Commission to take steps in that regard;
7. Welcomes the strong cooperation between the European Anti-Fraud Office (OLAF) and the Court to combat fraud against the budget; notes that in 2020 six cases of fraud were reported to OLAF by the Court (compared to nine in 2019) and that for those six cases an investigation was opened by OLAF; notes that the main types of suspected fraud detected by the Court are artificial creation of the necessary conditions for Union financing, declaration of costs not meeting the eligibility criteria, use of grants for purposes other than what is allowed and procurement irregularities;

8. Calls on the Commission to fully comply with the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including on the work towards the implementation of a roadmap for the introduction of new own resources over the duration of the MFF 2021-2027¹ as a matter of compliance with the Union's legal provisions and good governance principle;
9. Notes that for two of the AMIF-funded projects audited in Greece, the Court found non-satisfactory documentation of services provided; welcomes that the Directorate-General for Migration and Home Affairs (DG HOME) took steps to improve the referral and reporting system through a centralised approach; calls on the Commission to report to the discharge authority on the progress achieved;
10. Calls on DG HOME to provide guidance to the Member State authorities responsible for implementing its funds for both the 2014-2020 and 2021-2027 MFFs on how to document the completeness and quality of services when funding is based on standard unit costs.

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¹ OJ L 433I , 22.12.2020, p. 28

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	15.2.2022
Result of final vote	+: 58 -: 9 0: 1
Members present for the final vote	Magdalena Adamowicz, Abir Al-Sahlani, Konstantinos Arvanitis, Malik Azmani, Katarina Barley, Pietro Bartolo, Nicolas Bay, Vladimír Bilčík, Vasile Blaga, Ioan-Rareș Bogdan, Patrick Breyer, Saskia Bricmont, Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Damien Carême, Caterina Chinnici, Clare Daly, Marcel de Graaff, Anna Júlia Donáth, Lena Düpont, Lucia Ďuriš Nicholsonová, Cornelia Ernst, Laura Ferrara, Nicolaus Fest, Jean-Paul Garraud, Maria Grapini, Sylvie Guillaume, Andrzej Halicki, Evin Incir, Sophia in 't Veld, Patryk Jaki, Marina Kaljurand, Assita Kanko, Fabienne Keller, Peter Kofod, Łukasz Kohut, Moritz Körner, Alice Kuhnke, Jeroen Lenaers, Juan Fernando López Aguilar, Lukas Mandl, Nuno Melo, Nadine Morano, Javier Moreno Sánchez, Emil Radev, Paulo Rangel, Karlo Ressler, Diana Riba i Giner, Ralf Seekatz, Birgit Sippel, Sara Skyttedal, Vincenzo Sofo, Martin Sonneborn, Tineke Strik, Ramona Strugariu, Annalisa Tardino, Tomas Tobé, Yana Toom, Milan Uhrík, Tom Vandendriessche, Bettina Vollath, Elissavet Vozemberg-Vrionidi, Jadwiga Wiśniewska, Elena Yoncheva, Javier Zarzalejos
Substitutes present for the final vote	Tanja Fajon, Daniel Freund

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

58	+
ECR	Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Patryk Jaki, Assita Kanko, Vincenzo Sofo, Jadwiga Wiśniewska
ID	Peter Kofod, Tom Vandendriessche
NI	Laura Ferrara, Martin Sonneborn
PPE	Magdalena Adamowicz, Vladimír Bilčík, Vasile Blaga, Ioan-Rareș Bogdan, Lena Düpont, Andrzej Halicki, Jeroen Lenaers, Lukas Mandl, Nuno Melo, Nadine Morano, Emil Radev, Paulo Rangel, Karlo Ressler, Ralf Seekatz, Sara Skyttedal, Tomas Tobé, Elissavet Vozemberg-Vrionidi, Javier Zarzalejos
Renew	Abir Al-Sahlani, Malik Azmani, Anna Júlia Donáth, Lucia Ďuriš Nicholsonová, Sophia in 't Veld, Fabienne Keller, Moritz Körner, Ramona Strugariu, Yana Toom
S&D	Katarina Barley, Pietro Bartolo, Caterina Chinnici, Tanja Fajon, Maria Grapini, Sylvie Guillaume, Evin Incir, Marina Kaljurand, Łukasz Kohut, Juan Fernando López Aguilar, Javier Moreno Sánchez, Birgit Sippel, Bettina Vollath, Elena Yoncheva
Verts/ALE	Patrick Breyer, Saskia Bricmont, Damien Carême, Daniel Freund, Alice Kuhnke, Diana Riba i Giner, Tineke Strik

9	-
ID	Nicolas Bay, Nicolaus Fest, Jean-Paul Garraud, Marcel de Graaff,
NI	Milan Uhrík
The Left	Konstantinos Arvanitis, Malin Björk, Clare Daly, Cornelia Ernst

1	0
ID	Annalisa Tardino

Key to symbols:

+ : in favour

- : against

0 : abstention